

IRS News Release

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IRS Offers Small Businesses New Retirement Plan Resource Guide

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WASHINGTON — Small business owners can now learn virtually everything they need to know about setting up and maintaining IRA-based retirement plans for their employees, thanks to a new, free compact disc from the Internal Revenue Service.

“This new CD is just one of the ways we’re helping small business owners provide themselves and their employees with the information they need to save for retirement,” said Carol Gold, director of the Employee Plans unit at the IRS. “IRA-based retirement plans are tailor-made for small businesses, offering them an easy way to provide retirement benefits to their employees with a minimum of paperwork.”

The CD-ROM, Individual Retirement Arrangement (IRA) Resource Guide for Small Business Owners and Individuals, contains information about both traditional and Roth IRAs. It also covers IRA-based retirement plans for employers, including simplified employee pensions (SEPs), SIMPLE IRAs, and payroll deduction IRA plans.

“The 2005 Retirement Confidence Survey found that the number one reason for saving in America is retirement,” said Dallas L. Salisbury, president and CEO of the Employee Benefit Research Institute, and Chairman of the American Savings Education Council. “The IRS has just made that a lot easier with its new one-stop resource guide CD that will help every taxpayer set a savings goal, develop a plan and know how to implement it. The IRS is clearly on your side when it comes to retirement planning”

The new CD pulls together into one easy-to-use tool various IRA-related print and electronic information, from IRS as well as from other federal agencies. It will help business owners make the right decisions about setting up a plan that is best for their business, making contributions to the plan, investing funds, and taking distributions. It also explains the rules for keeping these plans in compliance with the law, including methods for correcting errors in plan administration.

“More than one in three households are without any retirement savings, and IRAs are an easy and effective way to save for retirement,” Gold said. “I encourage employers and employees alike to take advantage of the benefits that IRAs offer such as tax-deferred growth and a wide array of investment options.”

To help individuals and business owners avoid scams that can threaten their retirement savings, the CD highlights illegal tax schemes related to retirement plans.

Included on the CD are video clips, forms and publications, frequently asked questions, and interactive resources that make learning about IRAs easy. It also includes information on the basics of investing retirement savings and checklists for business owners to use in managing their IRA-Based retirement plans.

To get a free copy of the CD, call the IRS toll-free at 1-800-TAX-FORM (829-3676) and ask for Publication 4395. An online version is available on the newly-revamped “Retirement Plans” section on IRS.gov. In addition, the IRS urges small business owners visiting the Web site to subscribe to Retirement News for Employers, a free quarterly electronic newsletter on retirement plan issues.

Links:

- IRA Online Resource Guide — www.irs.gov/ep
- Subscribe to Retirement News for Employers — <http://www.irs.gov/retirement/page/0,,id=122751,00.html>